(APM) to market determined pricing regime, the Government had notified "The Irrecoverable Taxes Compensation Scheme, 2002". The above scheme was valid only for the year 2002-03. A proposal to extend the validity of the scheme for the year 2003-04 is being examined by the Government.

Use of Kerosene for Commercial Purpose

2236. SHRI T.S. BAJWA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Kerosene oil is used in automobilies that cause shortage of kerosene oil for domestic uses;

(b) if so, the reasons therefore;

(c) whether any proposal is under the consideration of Government to reduce the use of Kerosene oil for the commercial purpose; and

(d) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (b) Kerosene is sold as subsidized product through the PDS system. outside PDS allocations, there is free sale kerosene. PDS kerosene is allocated by the Government of India to the States/Union Territories for distribution.

Government are aware of attempts by unscrupulous persons to divert PDS kerosene for adulterating transportation fuels. Such attempts are largely driven by the substantial price difference between kerosene and transportation fuels.

(c) to (d) There is no proposal under the Government's consideration to reduce the use of Kerosene oil for the commercial purpose. However, Government takes punitive action against those indulging in diversion of PDS kerosene to unauthorized use for commercial purposes, including adulteration. Government/Public Sector Oil Marketing Companies (OMCs) take action under the following provisions:-

(i) In accordance with the Control Orders issued by the Government under the Essential Commodities Act, 1955, to prevent fuel adulteration, State Governments are empowered to take action against those indulging in adulteration. Government have repeatedly urged State Governments/Union Territory Administrations to step up inspections/surprise checks to ensure

that adulteration related activities are minimized and to exercise vigil/conduct inspections at various private firms, factories, processing units etc., under their jurisdiction to identity the perpetrators of adulteration and take stringent action against them within the available legal framework.

(ii) OMCs undertake regular and surprise inspections of Retails Outlets and also take action under Marketing Discipline Guidelines (MDG) and Dealership Agreements against those indulging in adulteration and malpractices. MDG provide for penalty of termination of dealership in cases of adulteration being established.

Besides the measures already in place, effective 2nd October, 2005, Government launched the Jan Kerosene Pariyojana as a pilot project in 417 blocks covering 23 States and one Union Territory for a period of six months with a view to strengthening and streamlining the infrastructure for kerosene distribution and involving the Gram Sabhas and Gram Panchayats and State Panchyati Raj Institutions in the supervision of PDS kerosene distribution, so as to ensure that entitled beneficiaries actually receive their entitlement and diversion to adulteration and black-marketing is capped, reversed and eventually eliminated. The pilot project is being concurrently evaluated by NCAER and, on the basis of the experience gained, Government will determine the possibility and desirability of extending the Pariyojana to cover all blocks in the country. It is hoped this will lead to a significant breakthrough in the delivery of subsidized SKO to the entitled segments of society and thus contribute to the curbing of diversion for adulteration.

Black Marketing of Kerosene in Uttar Pradesh

†2237. DR. CHHATTRAPAL SINGH LODHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware of black marketing of kerosene in public distribution system and mixing of kerosene in diesel and petrol pumps;

(b) the quantity of kerosene being supplied by Government under public distribution system, district-wise, State/UT-wise;

† Original notice of the question was received in Hindi.